

Medicare Prescription Drug Coverage “Information for ConnPACE Recipients”



A Question and Answer Guide Produced by the CHOICES Program

On January 1, 2006 Medicare will start a new program to pay for prescription drugs for people who have Medicare Part A or Part B. **If you have Medicare and you are enrolled in ConnPACE, you will be required to enroll in a Medicare prescription drug plan in order to remain eligible for ConnPACE.** Please read this brochure to understand how the new program works and what you need to do to enroll.

1. What is Medicare prescription drug coverage? Medicare prescription drug coverage is a new program that will be available to everyone who has Medicare Part A or Part B. It will start on January 1, 2006. It will pay for outpatient prescription drugs, insulin and insulin supplies, and smoking cessation drugs. It will not cover barbiturates, benzodiazepines, over-the counter drugs or drugs for weight loss or gain, *except to the extent these drugs are already covered under ConnPACE.*

2. How will the new program work? Medicare won't administer the prescription drug program directly. Instead, it will contract with private companies that will offer the coverage in Connecticut. These can be freestanding Prescription Drug Plans (PDPs), Managed Care Organizations (HMO or PPO), or even employer-sponsored retirement health plans. Different plans will offer different selections of drugs and different provider networks. You'll need to select the plan that will work best for you.

3. Do I need to enroll in a Medicare prescription drug plan? Yes, you will have to select and enroll in a Medicare prescription drug plan in order to keep your ConnPACE benefits. This is so ConnPACE can coordinate with the new Medicare program to give you prescription drug coverage at a lower cost than you pay now.

4. Are my ConnPACE benefits going to change because I enroll in the new Medicare prescription drug program? Yes, you will have some changes but most of these will save you money. Here's a summary of how some things will change and others will stay the same:

- The plan that you enroll in will give you a member card that you will use at the pharmacy, just like you use your ConnPACE card now. You may also be able to get prescriptions by mail if this feature is available in the plan you select.
- You'll still pay your annual \$30 ConnPACE membership fee.
- You won't have to pay any premiums for the new program.
- You may have an annual deductible; however, during the time that you are meeting this deductible you'll never pay more than \$16.25 for each prescription you fill.
- You won't have any gaps in coverage.
- You'll still be able to get all of the drugs you take now, provided they are offered by your plan.
- You'll still have a co-pay. The amount you pay will depend on the amount of your income and assets, but it will never be more than \$16.25. In many cases it will be less – as low as \$2/\$5 (for generic or brand-name drugs).

5. I've been hearing about getting Extra Help to pay for Medicare prescription drug coverage. What does this mean? To understand this best, you need to know how the new program will work for people who don't have ConnPACE and don't qualify for any Extra Help. The table on the next page shows how much people will pay for a **standard benefit package** (if they do not qualify for ConnPACE or Extra Help).

The Standard Benefit Package
(for People who do not have ConnPACE or Extra Help)

	If drugs cost ...	Medicare pays ...	And the beneficiary pays ...
Deductible (the annual amount a beneficiary needs to pay before coverage begins)	0 - \$250	0	100%
Initial Benefit Period (the next \$2,000 in prescription costs)	\$251 - \$2,250	75%	25%
Coverage Gap , also known as the “donut hole” (the next \$2,850 in prescription costs)	\$2,250 - \$5,100	0	100%
Catastrophic Benefit Period (if drug costs exceed \$5,100 /year.)	Over \$5,100	95%	5%

People with limited income and assets will qualify for Extra Help to pay for some of these costs. If your countable income is below \$14,355 (single) or \$19,245 (couple), and your countable assets are below \$10,000 (single) or \$20,000 (couple), you will qualify for Extra Help. With ConnPACE and Extra Help together, you will pay no premiums, and as little as \$2/\$5 for co-pays. Your out-of-pocket costs will never exceed \$16.25 per prescription, even if you have a deductible.

Not all income is counted, so if your income is slightly above these levels, you may still qualify for Extra Help. Similarly, not all assets are countable. For example, the home you live in, your car, funds designated for funeral and burial expenses, and certain life insurance policies are not counted as assets.

IMPORTANT: This does NOT mean there is now an asset test for ConnPACE! The asset test is for the Extra Help subsidy, not ConnPACE.

6. How can I get Extra Help?

- If you are on ConnPACE and you get help from the state paying for your Medicare Part B premiums through the Medicare Savings Program (QMB, SLMB or ALMB/QI1), you are automatically eligible for this Extra Help and you don't have to do anything to apply for it. (You probably already received a notice from Medicare telling you that you qualify for Extra Help.)
- If you're on ConnPACE and you don't have MSP, you'll need to apply for the Extra Help. This summer (2005), you may get an application for Extra Help in the mail from the Social Security Administration (SSA). Be sure to fill out the application and mail it back to SSA in the envelope provided.

The application for Extra Help is fast and easy to complete. Please do NOT send any attachments with your application. If Social Security needs more information, such as bank statements or other verifications, they will contact you. In most cases, this will not be necessary. Social Security will mail you a receipt acknowledging your application. They will also send you a letter telling you whether you qualify for Extra Help.

7. What will I pay for Medicare prescription drug coverage? If you qualify for Extra Help you'll have substantial savings on your prescription drug costs. Even if you don't qualify for Extra Help, as a ConnPACE member you will still have savings on your prescription drug costs. The table at the end of this document shows how much you will pay.

8. How will I select a plan? This summer and fall you will receive much more information about the new program from Medicare and various prescription drug plans that are offering benefits in your area. You need to study all of this information and ask the following questions at a minimum:

- Are the drugs you take now covered by the plan?
- Do you live in the plan's service delivery area?

- Is the plan accepted at the pharmacy you use?
- What are the costs?

If you would like help in reviewing the various plans and selecting the one that is best for you, call CHOICES at 1-800-994-9422.

9. When can I enroll in a plan? Open enrollment is November 15, 2005 – May 15, 2006. If you enroll before December 31, 2005, your coverage will begin January 1, 2006. If you enroll on or after January 1, your coverage will begin on the first day of the month following your month of enrollment.

You can change plans at certain times of the year if you find one that better meets your needs.

Remember! To have Medicare prescription drug coverage at the lowest possible cost, you need to do two things. First, you need to apply for Extra Help (if you're not automatically eligible). Second, you still have to select and enroll in a Medicare prescription drug plan in the fall. The Extra Help is of no use if you do not also enroll in a plan.

10. How will spenddown work when I have Medicare prescription drug coverage? If your income is too high to qualify for Medicaid, you may be on a Medicaid "spenddown." During this time, your medical expenses, including your prescription drug costs, are subtracted ("spent down") from your income until your income falls below the allowable Medicaid income limit. The more medical expenses you have, the faster you reach your spenddown requirement and become eligible for full Medicaid benefits.

If you have ConnPACE, the amount ConnPACE pays, in addition to the \$16.25 that you pay, both count toward your spenddown requirement. This will not change.

The amount the state contributes toward your prescription drugs (through the ConnPACE program) will still be applied toward your spenddown. But, since Medicare will assume some of your prescription drug costs on January 1, 2006, the amount that the state (ConnPACE)

pays will actually be less than it is now. This means you may not spend down as fast as you used to. *However, this also means you'll probably keep more of your own money to spend on other things.*

11. What Happens Next? If you're getting help with your Part B premium through the State's Medicare Savings Program (QMB, SLMB or ALMB/QI1), you probably received a letter from Medicare in May 2005 telling you that you automatically qualify for Extra Help. You don't have to do anything to apply for it.

If you don't have MSP, you will probably get an Extra Help application in the mail this summer. **Be sure to fill it out and return it to SSA.** If you did not receive an application and you think you may qualify for Extra Help, please call CHOICES at 1-800-994-9422.

Here is a summary of what will happen in the next few months:

- In October 2005, Medicare will send you a handbook entitled "Medicare and You 2006." This booklet will tell you more about how the new program works and it will give you the names of plans in your area. It will also tell you how to select and enroll in a plan.
- Starting November 15, 2005 you will be able to enroll in the plan of your choice. The sooner you enroll the sooner your coverage will begin.
- Your new coverage will begin on January 1, 2006.

12. Where can I get more information? If you would like more information or assistance please **call CHOICES at 1-800-994-9422** to speak to a CHOICES counselor. CHOICES counselors are trained and certified to help you with your Medicare concerns and questions. CHOICES counselors can also help you to compare plans and enroll in the one that best meets your needs.

CHOICES is a program of the State of Connecticut Department of Social Services, Aging Services Division, and serves as Connecticut's State Health Insurance Assistance Program (SHIP), as designated by the Centers for Medicare and Medicaid Services. CHOICES is administered in partnership with the Area Agencies on Aging and the Center for Medicare Advocacy, Inc.



DSS Publication 2005 - 8, July 20, 2005

This publication is not a legal document. The official Medicare provisions are contained in the relevant laws, regulations and rulings.

This information is available in alternative formats. Call 1-800-994-9422. TDD/TTY users call 1-800-842-4524.

What ConnPACE Recipients will Pay for Medicare Prescription Drug Coverage

What you will pay ...	If you <u>don't</u> have ConnPACE or MSP ("Standard Benefit Package")	If you have ConnPACE only (no MSP), and...	If you have ConnPACE only (no MSP), and ...	If you have ConnPACE only (no MSP), and ...	If you have ConnPACE only (no MSP), and...	If you have ConnPACE and MSP
Income Level	over \$14,355/\$19,245	over \$14,355/\$19,245	below \$14,335/\$19,245	below \$12,919/\$17,320	below \$12,919/\$17,320	N/A
Asset Level	over \$10,000/\$20,000	over \$10,000/\$20,000	below \$10,000/20,000	below \$10,000/20,000	below \$6,000/\$9,000	N/A
Extra Help?	NO	NO	YES	YES	YES	YES
Premium	\$37	0	0	0	0	0
Deductible	\$250	\$250 (but you only pay \$16.25 max. per Rx until deductible is met)	\$50 (but you only pay \$16.25 max. per Rx until deductible is met)	\$50 (but you only pay \$16.25 max. per Rx until deductible is met)	0	0
Co-pay during initial benefit period	25%	25% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	\$2/5	\$2/5
Co-pay during the "coverage gap"	100%	\$16.25 per Rx max.	15% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	\$2/5	\$2/5
Co-pay during catastrophic benefit period	\$2/\$5 or 5%, whichever is greater	\$2/5, OR 5%, whichever is greater, NOT TO EXCEED \$16.25 per Rx	\$2/5	\$2/5	0	0